
Interagency Contracts Coordinating Team (ICCT)

Meeting Minutes

November 8, 2005

Attending: Laura Nelson (OFM), Melanie Buechel (OSPI), Tom Goldsby (L&I), Anne Holm (SAO), Susan Johnsen (OFM), Meggan Leonard, (OSPI), Jim Matthews (DOH), John Nispel (DOC), Nancy Ringstad (DOL), Mark Tyler (DSHS), and Megan McKay (OFM)

Advanced Contracting Class

Laura Nelson provided feedback received on evaluations regarding the last *Advanced Contracting* class.

- Requests were made to add an additional exercise to the morning half of the class. Laura asked the group for some exercise ideas.
 - Nancy Ringstad suggested creating cards containing different contract services provided, which the class would refer to the different flowcharts (mentioned below) to determine which master contract should be used for each service.
 - Laura mentioned trying to tie-in the additional exercise with the morning presentation on risk assessment/management too.
 - Laura noted that if the exercise is added, the training schedule will have to be modified in order to accommodate the additional time.
 - Jim Matthews suggested possibly beginning the class at 8:00.
- Adding some process flowcharts to the procurement section of the training was suggested – perhaps one chart for each agency's master contract process to help define the contract processes for the class.
- Nancy reinforced the importance of including more risk management information as well and perhaps combining it with the procurement information.
- The next Advanced Contracting class will be scheduled for April or May 2006. The course structure will have to be in place before then.

Subcommittee Report

Mark Tyler gave an overview of the subcommittee meetings and progress. The subcommittee met to review Interagency Agreements (IAA) used at each agency represented on the subcommittee. During this review it was decided to organize terms and conditions by topic, thus a chart was created showing the different IAA terms and conditions used by the different state agencies. This chart was passed around the group for review (as it is not complete yet).

The group decided it would be helpful to add DOL and OFM to the chart (DOL will participate in the subcommittee and OFM will be added to represent what is currently in the Guide template).

Laura highlighted the fact that the report actually shows more similarities between the agencies than differences.

There was discussion regarding the Interagency Agreement template currently found in the Guide to Personal Service Contracting. Nancy feels the document is a good example and with modifications to the *Statement of Work* section, should be used as a standard template.

Susan Johnsen would like improvements made to the *Compensation* section. This template also needs to be written in "Plain Talk".

Mark said the next step for the subcommittee will be to meet and finish charting terms, compare and analyze them, and create a standard list of terms to present to the ICCT. Once the chart is complete it will be shared with the group.

Mark gave an update on negotiations between DSHS and the counties (mentioned in the last ICCT meeting). They are moving along - the Governor's Chief of Staff has stepped forward to give direction to the group.

Tom Goldsby asked if DSHS could document all actions and resolutions between the groups in order to create back-up information to help set precedence in future negotiations with the counties and hopefully help diffuse any future problems.

Tom also stated how difficult it is to contract with other states without the consistency of general contracting terms and documents. If there were standard terms, documents and procedures in place throughout the state, it would simplify the contracting processes as well as provide the back-up and support necessary to negotiate the contracts. He feels the state is missing out on the use of qualified and valuable vendors because of the processes currently used.

Nancy praised the ICCT for being such a proactive group and for working together to solve contracting issues.

Charting Our Own Course for Contracts

Laura opened the discussion on procurement authorities and invited Susan to share her views on the subject. The discussion within the group included the following points:

- There are currently three sets of rules based on OFM, DIS and GA, plus several other agencies with limited procurement authority.
- Agencies would like to focus more on getting better results and not being mired in processes.
- Laura asked if there is "up-front" discussion necessary about what we are trying to accomplish within the ICCT with regard to procurement authorities.
- Nancy would like to see some "streamlining" done to the processes.
- Tom shared frustration with the many current statutes with new ones continually being developed.
- Within OSPI, Melanie said the contracts being written continue to be completely different – depending on the different areas within the agency.
- Nancy realizes staff members that aren't experienced with contracting often write contracts and the level of staff expertise may vary widely, which makes processing difficult.
- Tom asked if anyone was aware of a group created to evaluate the state procurement processes. He recently heard something mentioned but hasn't been able to confirm the information. Nobody in the ICCT has heard of such a group. Mark suggested it might be something included in the "Road Map" project.

- Nancy suggested using the training class procurement flowcharts as "Road Map" material.

The question was asked, "What can the ICCT do at this point?" The following suggestions were made:

- Simplifying contracting processes will also bring better, higher quality vendors to our state because some vendors currently do not like working with the state agencies because of the various contracting processes.
- Tom mentioned creating a "Policy Oversight Board" (a suggestion from a previous brainstorming session) and suggests vendors also be involved to promote ownership, positive practices, and ensure agreements between both parties.
- Meggan Leonard inquired about any other state(s) that may have already gone through the development of new contracting processes. Tom replied that Oregon State has, and their process consists of one person responsible for all of the state's purchasing. Because the process is simplified to this point, it seems to be working.
- John Nispel suggested sending a letter through the Governor's Cabinet to develop an interest and gain support toward developing a new system.
- Tom reiterated the fact that in contracting there really are only two basic items: 1) Contracts, and/or 2) Orders. He suggests we "Get back to the basics".
- Mark asked if there has ever been an analysis of the 14 contracting authorities to see if there are similarities between them.
- A suggestion was made to start with the "Big 3" (OFM, DIS, and GA) and once they are on-board and in agreement, it could make a positive difference.
- Nancy suggested bringing these 3 agencies together under the "oversight board" and promoting them to lead others.

When asked what it would take to get something started with this process – such as a letter of recommendation from the ICCT, Susan said it is important to have a "framework" and understanding of how the ideas will be defined and presented, the "pitch", and to have prior buy-in from others.

Discussion followed regarding the creation of a policy oversight board to work on the contracting needs of the state. Rather than calling it a policy oversight board, which sounds too generic, the group decided on a name for the board: the *Contracts Oversight Board* – COB.

Tom Goldsby was elected by the group to begin a charter for the new Board. The charter will define ideas and create the framework, etc.

Thoughts were verbalized about how important it is for the ICCT to take action – make changes – create better processes – because that is what the ICCT should be about.

Miscellaneous

- Laura told the group about her recent visit to one of the community colleges. She was asked to talk about personal service and client service contracting. The group was mainly interested in discussing the differences between "employee v. independent contractor", which she explained was a subject that should be discussed with the IRS. Higher Ed institutions have the ability to bring additional people on as either employees or contractors, thus this distinction is very important to them.

- Melanie raised an issue from a recent audit of OSPI. The use of UBIs was the center of the discussion. Evidently, there is confusion about who is responsible for ensuring contractors are registered and thus have a UBI.
 - Anne Holm said the SAO is trying to get some background on UBIs. The AAG of SAO is discussing the RCW with AAG of OSPI. It seems the RCW in question is specific to public works contracts.
 - Melanie asked if this is a subject that should be approached proactively by the ICCT.
 - John mentioned a couple of sites on the Internet providing a good source for looking up vendors: DOR Public Records database, and SEC Corporation database.
 - Nancy stated that having ALL contracts on a statewide database would best provide access to vendor information. If this information was available, agencies could tell the vendor they WILL provide their UBI or vendor will be required to provide a letter from DOR stating they are exempt from providing that information and why.
 - **Mark suggested getting feedback on the UBI status from Anne again at the next ICCT meeting. Anne agreed to report on this issue at the next meeting.**

NEXT MEETING

The next meeting will be December 13, 2005. The meeting will again be held on the third floor of the General Administration building – Conference Room 331L, which is located next to the OFM Contract Services office. The meeting will be at the usual time, 1:30 p.m. to 3:30 p.m.

Next Meeting Agenda

- Subcommittee update on IAA template/chart
- State Auditor's verbal report on issues related to the use of UBIs
- Update about the Contracts Overview Board (COB) from Tom Goldsby

If you have suggestions for other agenda items, please contact Laura Nelson, 725-5259.